

TEAM: WASHINGTON BULLETS

YEAR: 1982-83

REGULAR SEASON

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	25	25
NATIONAL BROADCAST (CBS)	0	1	1
LOCAL/REGIONAL CABLE ()	NA	NA	NA
NATIONAL CABLE (ESPN) (USA)	1 2	2 3	3 5
NATIONAL CABLE (superstation) ¹ (WTBS) (WOR)	2 4	0 0	2 4
TOTAL NOT EXHIBITED IN WASHINGTON	4	12	16
TOTAL NOT EXHIBITED ANYWHERE	14		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS**YEAR: 1983-84****REGULAR SEASON**

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	25	25
NATIONAL BROADCAST (CBS)	0	0	0
LOCAL/REGIONAL CABLE (HTS)	3	1	4
NATIONAL CABLE (ESPN) (USA)	1 2	1 1	2 3
NATIONAL CABLE (superstation) ¹ (WGN) (WTBS) (WOR)	1 2 3	0 1 0	1 3 3
TOTAL NOT EXHIBITED IN WASHINGTON	29	15	44
TOTAL NOT EXHIBITED ANYWHERE	28		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS

YEAR: 1984-85

REGULAR SEASON

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	25	25
NATIONAL BROADCAST (CBS)	0	0	0
LOCAL/REGIONAL CABLE (HTS)	31	13	44
NATIONAL CABLE (WTBS)	2	2	4
NATIONAL CABLE (superstation) ¹ (WOR)	3	0	3
TOTAL NOT EXHIBITED IN WASHINGTON	8	2	10
TOTAL NOT EXHIBITED ANYWHERE	6		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS

YEAR: 1985-86

REGULAR SEASON

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	25	25
NATIONAL BROADCAST (CBS)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS)	28	3	31
NATIONAL CABLE (WTBS)	2	0	2
NATIONAL CABLE (superstation) ¹ (WOR)	3	0	3
TOTAL NOT EXHIBITED IN WASHINGTON	11	13	24
TOTAL NOT EXHIBITED ANYWHERE	18		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS

YEAR: 1986-87

REGULAR SEASON

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	26	26
NATIONAL BROADCAST (CBS)	1	0	1
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Pay)	33	2	35
NATIONAL CABLE (WTBS)	4	2	6
NATIONAL CABLE (superstation) ¹ (WOR)	2	0	2
TOTAL NOT EXHIBITED IN WASHINGTON	6	13	19
TOTAL NOT EXHIBITED ANYWHERE	13		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS

YEAR: 1987-88

REGULAR SEASON

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	25	25
NATIONAL BROADCAST (CBS)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Pay)	32	0	32
NATIONAL CABLE (WTBS)	0	1	1
NATIONAL CABLE (superstation) ¹ (WOR)	2	0	2
TOTAL NOT EXHIBITED IN WASHINGTON	9	15	24
TOTAL NOT EXHIBITED ANYWHERE	12		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS

YEAR: 1988-89

REGULAR SEASON

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	28	28
NATIONAL BROADCAST (CBS)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Pay)	29	0	29
NATIONAL CABLE (WTBS)	0	1	1
NATIONAL CABLE (superstation) ¹ (WOR)	1	0	1
TOTAL NOT EXHIBITED IN WASHINGTON	12	12	24
TOTAL NOT EXHIBITED ANYWHERE	17		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS**YEAR: 1989-90****REGULAR SEASON**

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	28	28
NATIONAL BROADCAST (CBS)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Pay)	29	1	30
NATIONAL CABLE (TNT)	1	0	1
NATIONAL CABLE (superstation) ¹ (WGN) (WTBS)	0 2	1 0	1 2
TOTAL NOT EXHIBITED IN WASHINGTON	10	12	22
TOTAL NOT EXHIBITED ANYWHERE	12		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS

YEAR: 1990-91

REGULAR SEASON

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	28	28
NATIONAL BROADCAST (NBC)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Basic)	29	1	30
NATIONAL CABLE (TNT)	1	0	1
NATIONAL CABLE (superstation) ¹ (WGN)	1	1	2
TOTAL NOT EXHIBITED IN WASHINGTON	11	12	23
TOTAL NOT EXHIBITED ANYWHERE	12		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS**YEAR: 1991-92****REGULAR SEASON**

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	28	28
NATIONAL BROADCAST (NBC)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Pay & Basic)	30	1	31
NATIONAL CABLE (TNT)	1	0	1
NATIONAL CABLE (superstation) ¹ (WGN) (WTBS)	2 1	2 1	4 2
TOTAL NOT EXHIBITED IN WASHINGTON	10	12	22
TOTAL NOT EXHIBITED ANYWHERE	14		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS**YEAR: 1992-93****REGULAR SEASON**

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	1	27	28
NATIONAL BROADCAST (NBC)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS)	29	1	30
NATIONAL CABLE (TNT)	1	0	1
NATIONAL CABLE (superstation) ¹ (WGN) (WOR)	2 0	0 1	2 1
TOTAL NOT EXHIBITED IN WASHINGTON	11	13	24
TOTAL NOT EXHIBITED ANYWHERE	10		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

PLAYOFFS

TEAM: WASHINGTON BULLETS

YEAR: 1983-84

PLAYOFFS

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	2	2
NATIONAL BROADCAST (CBS)	1	0	1
LOCAL/REGIONAL CABLE (HTS)	1	0	1
NATIONAL CABLE (ESPN) (USA)	1 0	0 1	1 1
NATIONAL CABLE (superstation) ¹	NA	NA	NA
TOTAL NOT EXHIBITED IN WASHINGTON	0	0	0
TOTAL NOT EXHIBITED ANYWHERE	0		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS

YEAR: 1984-85

PLAYOFFS

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	1	1
NATIONAL BROADCAST (CBS)	0	1	1
LOCAL/REGIONAL CABLE (HTS)	2	0	2
NATIONAL CABLE ()	NA	NA	NA
NATIONAL CABLE (superstation) ¹	NA	NA	NA

TEAM: WASHINGTON BULLETS

YEAR: 1985-86

PLAYOFFS

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	1	1
NATIONAL BROADCAST (CBS)	0	2	2
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS)	2	0	2
NATIONAL CABLE (WTBS)	0	0	0
NATIONAL CABLE (superstation) ¹	NA	NA	NA
TOTAL NOT EXHIBITED IN WASHINGTON	0	0	0
TOTAL NOT EXHIBITED ANYWHERE	0		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

TEAM: WASHINGTON BULLETS**YEAR: 1986-87****PLAYOFFS**

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDCA)	0	2	2
NATIONAL BROADCAST (CBS)	0	0	0
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Pay)	1	0	1
NATIONAL CABLE (WTBS)	0	1	1
NATIONAL CABLE (superstation) ¹	NA	NA	NA
TOTAL NOT EXHIBITED IN WASHINGTON	0	0	0
TOTAL NOT EXHIBITED ANYWHERE	0		

¹ These games were authorized for local broadcast and were retransmitted for national cable distribution.

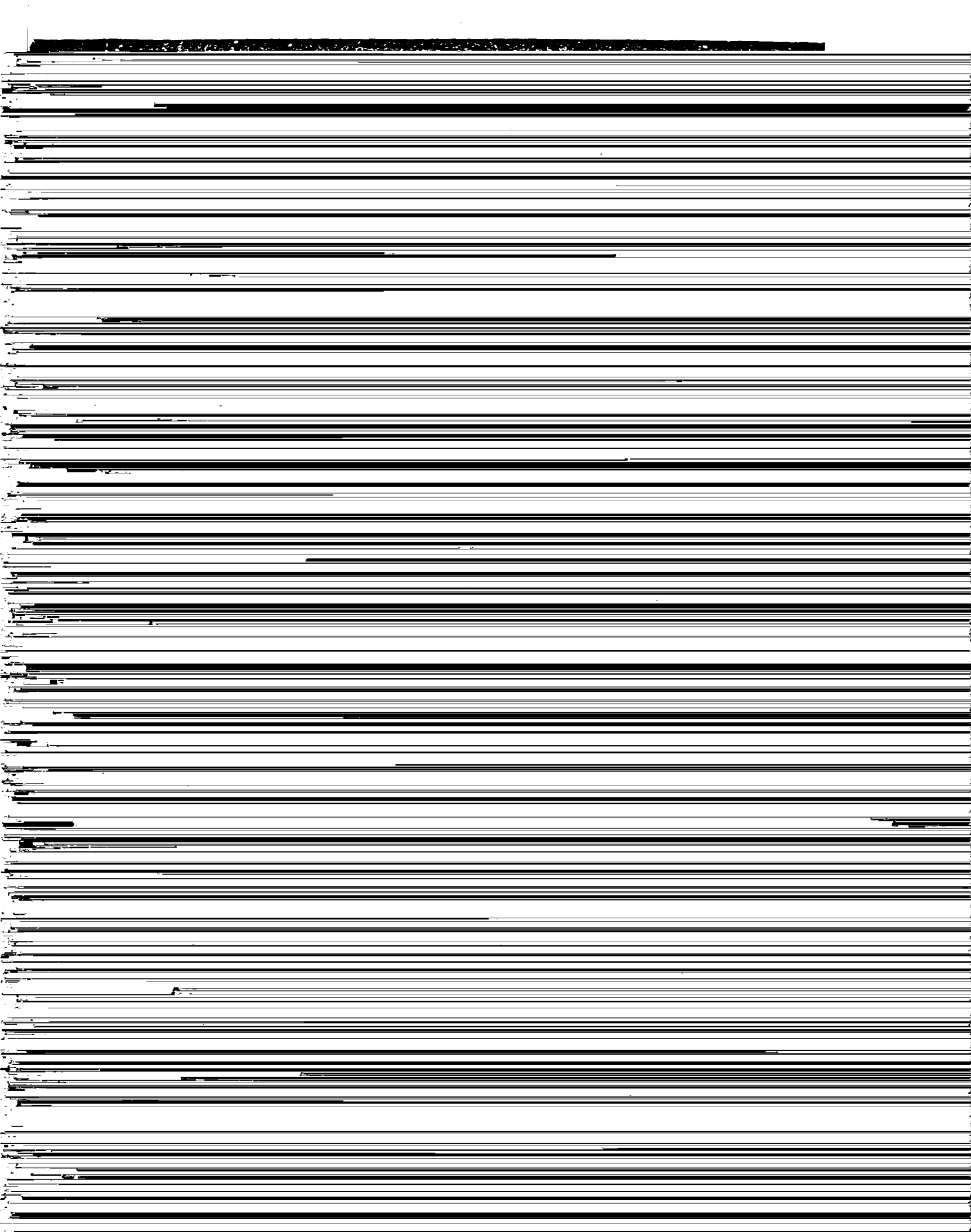
TEAM: WASHINGTON BULLETS

YEAR: 1987-88

PLAYOFFS

MEDIUM	HOME GAMES	AWAY GAMES	TOTAL GAMES
LOCAL/REGIONAL BROADCAST (WDLA)	0	1	1
NATIONAL BROADCAST (CBS)	0	1	1
LOCAL CABLE ()	NA	NA	NA
REGIONAL CABLE (HTS -- Pay)	2	1	3
NATIONAL CABLE (WTBS)	0	1	1
NATIONAL CABLE (superstation) ¹	NA	NA	NA
TOTAL NOT EXHIBITED IN WASHINGTON	0	0	0
TOTAL NOT EXHIBITED ANYWHERE	0		

¹ These games were authorized for local broadcast and were not transmitted.



SUPERSTATION CARRIAGE OF NBA TELECASTS

**An Investigation of Impacts on
NBA National and Local Telecasts**

— Prepared for —

**Planning Committee
of the
Board of Governors
National Basketball Association**

— Prepared by —

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INTRODUCTION

Superstation telecasts of NBA games now reach tens of millions of cable households across the country. The largest circulation is achieved by WTBS, which reaches an estimated 57 million households and carried 30 regular season Atlanta Hawks telecasts during the 1991-92 season. WGN, which carried 30 regular season Chicago Bulls telecasts in 1991-92, reaches an estimated 35 million cable households.

Given the widespread availability of these games nationwide, the question posed by the NBA's Planning Committee is what impact, if any, does superstation carriage of NBA telecasts have on the NBA's national packages on broadcast (NBC) and cable (TNT) networks, and on local NBA franchise broadcast television and cable packages? To address the question, four different studies were undertaken:

1. A.C. Nielsen Company was commissioned by the NBA to measure the percent of total NBA viewing achieved by superstations when one or more superstation NBA games were aired with at least a portion of the superstation game overlapping an NBA game broadcast on a local station. The measurement is obtained by calling a number of households in specified markets throughout the period of overlap and asking what television programming, if any, is being viewed at that moment. The technique is called a "telephone coincidental".
2. Bortz & Company, using Nielsen and other supporting data, developed a statistical model to ascertain what effect, if any, the presence of an overlapping superstation game has on TNT and local broadcast and

cable ratings. This analysis was performed for the 1989-90 and 1991-92 seasons.

3. To assess consumer awareness of overlapping NBA telecasts of a local game and a superstation game, expected viewing behavior in the event of an overlap, and overall viewing of NBA games by individual viewers, the NBA engaged Chilton Research Services to conduct more than 1,800 consumer telephone interviews.
4. William S. Koenig of the NBA interviewed a broad cross-section of television, sports and advertising industry leaders to obtain their views and thoughts on (a) the television market for sports programming; (b) the status of, and trends affecting, the current sports television market; (c) strategies necessary to compete successfully in the current marketplace; (d) the impact of superstations on the sports television market; and (e) the status and future of major sports television products.

Results from each of the four studies are presented in the following sections of this report. The Executive Summary briefly summarizes and integrates the various studies.

EXECUTIVE SUMMARY

The results of four independently conducted studies all demonstrate that the presence of superstation telecasts of NBA games negatively affects NBA national and local telecasts.

The three quantitative analyses (telephone coincidentals, statistical modeling and individual viewer interviews) evidence that when a superstation NBA game overlaps at least a portion of an NBA game carried on TNT or on a local broadcast or cable outlet, the rating of the non-superstation game is reduced significantly -- significant both statistically and in magnitude.

Results from these quantitative analyses are consistent with the views of national, regional and local telecasters, advertisers and sports programmers who were interviewed. Those interviewed described a fragmented and saturated sports television marketplace where advertisers find the impact of their messages diluted, where telecasters encounter declining ratings and shares, and where several sports packages are failing. Superstation telecasts of sports programming are believed by those interviewed as contributing to the sports television marketplace fragmentation, placing "uncontrolled inventory" in the national market, undermining the ability of telecasters to confer exclusivity to advertisers and causing dilution, confusion and lower ratings among viewers.

Those interviewed believe that the ability to buy or sell exclusivity is the "sine qua non for success" in the highly competitive sports television market. The ability of a programmer to control and regulate the distribution and exposure of its product is also viewed by these industry experts as essential to success.

While a number of sports television products have been seriously weakened by fragmentation, saturation and the inability to grant exclusivity, the NBA was cited as having developed policies that adequately balanced its national, regional and local distribution patterns, thereby maintaining and enhancing the value of its product. The views of those interviewed are that the future prospects of the NBA's television product depends on its ability to continue to implement such policies.

The quantitative studies confirm these opinions. In 15 separate telephone coinidentals during the 1990-91 season (where anywhere from 1,500 to 1,800 individuals in a given market were called during the time of overlapping local and superstation telecasts), superstation viewing accounted for an average of 22.4 percent of total NBA viewing. In one instance, superstation viewing accounted for 49 percent of total NBA viewing. Using more than 1,000 observations of TNT telecast ratings, the statistical model estimates that the average TNT game rating during the 1989-90 season was reduced by 34 percent when it was telecast against an overlapping superstation NBA telecast. (There was no overlap between TNT and superstation games in 1991-92). In local markets, statistical modeling also established that ratings of games broadcast or cablecast locally achieve significantly lower ratings when telecast against an overlapping superstation game than would have occurred in the absence of the superstation game. In simulations of these impacts, for 1989-90 and 1991-92 the typical ratings reductions caused by the superstation game overlap are in the range of seven to nine percent for both a local broadcast game and a local cable (regional sports network) game.

When viewers of NBA telecasts were asked by Chilton about how their viewing of NBA games was affected by the presence of NBA games on superstations, the